



# Infrastructure Funding for Substantially Underserved Trust Areas

The Rural Utilities Service (RUS), an agency within USDA Rural Development, was given new tools through the 2008 Farm Bill (the Food, Conservation, and Energy Act of 2008) to finance improvements in electric, telecommunications, and water and sewer infrastructure in substantially underserved trust areas — land held in trust by the United States for Native Americans. This part of the 2008 Farm Bill is known as the “Substantially Underserved Trust Area (SUTA) provisions.” The provisions are designed to make RUS infrastructure financing more accessible to, and affordable for, Native Americans in trust areas because those areas, historically, have had difficulty receiving Federal assistance.

## ***Benefits of the SUTA Provisions***

Under the SUTA provisions, USDA has the flexibility to:

- Offer loan interest rates as low as 2 percent;;
- Waive certain documentation requirements regarding non-duplication of service;
- Waive the matching funds or credit support requirements for loans;
- Extend the time period in which loans are repaid; and
- Provide the highest priority for funding to eligible projects that will serve trust areas.

RUS published a final rule in the *Federal Register* in June 2012 that provides detailed information about how it is implementing the SUTA provisions. Additional SUTA resources, including the final rule and a questions and answers document, are available online at [www.rurdev.usda.gov/AI\\_ANHome.html](http://www.rurdev.usda.gov/AI_ANHome.html).

## ***What Does “Substantially Underserved” Mean?***

A “substantially underserved” trust area is a community in a trust area that the Secretary of Agriculture determines has a high need for assistance. “Underserved” is defined as an area or community lacking an adequate level or quality of service. This can include areas where an existing provider has not, or will not, offer an adequate level or quality of service (normally, USDA cannot fund projects that are considered to duplicate existing services through another provider in the same area).

## ***Which Programs Are Included?***

The following USDA programs can offer benefits through SUTA to qualified applicants:

- Rural Electrification Direct and Guaranteed Loans;
- High Energy Cost Grants;
- Water and Waste Disposal Direct and Guaranteed Loans;
- Water and Waste Disposal Grants;
- Broadband Direct and Guaranteed Loans;
- Distance Learning and Telemedicine Grants; and
- Telecommunications Infrastructure Direct and Guaranteed Loans.

## ***Can Non-Tribal Applicants Request SUTA Consideration?***

Yes. Applicants who are eligible under RUS’s regular loan and grant program authorities may request consideration under the SUTA provisions. However, to ensure the feasibility of any project that will be carried out, non-Tribal applicants must provide RUS with documentation showing that Tribes in the service area agree to the proposed project.

## ***How Do Applicants Request SUTA Consideration?***

Applicants may determine if they qualify for consideration under the SUTA provisions by contacting their USDA Rural Development State Office at [www.rurdev.usda.gov/StateOfficeAddresses.html](http://www.rurdev.usda.gov/StateOfficeAddresses.html). Each State has local electric, telecommunications, and water and sewer specialists who can provide assistance. Applicants may also contact program specialists at the National Office at [www.rurdev.usda.gov/Utilities\\_LP.html](http://www.rurdev.usda.gov/Utilities_LP.html) for more information.

Applicants may also write to:

USDA Rural Development  
Rural Utilities Service  
Room 5135-S, Stop 1510  
1400 Independence Ave. SW  
Washington, DC 20250-1510  
Phone: (800) 670-6553 (Toll Free)  
Fax: (202) 720-1725

## ***Written Materials Required to Apply***

Applicants must submit a completed application to USDA that meets all the requirements under the loan or grant program through which they are requesting funding. Applicants must also notify USDA, in writing, that they are seeking SUTA consideration, and include the discretionary SUTA authorities (for example, a 2-percent interest loan) that they would like to have applied to their proposal.

Written requests may be memoranda or letters, and must include the following:

- A description of the applicant, documenting eligibility;
- A description of the community to be served, documenting eligibility;
- An explanation and documentation of the high need for the benefits of the program, which may include but is not limited to:
  - Data documenting a lack of service or inadequate service in the affected community;
  - Data documenting significant health risks to community residents due to a lack of access to, or service by, an adequate, affordable service; and
  - Data documenting economic need in the community (for the types of data suggested to document high need, see the “Application Requirements” section of the final rule).
- The impact of the specific SUTA authorities requested for the proposed project;
- Documentation substantiating that when the SUTA authorities are factored into the proposed financing, the project is financially feasible; and
- Any additional information RUS may consider relevant to the application which is necessary to adequately evaluate the application.

RUS may also request modifications or changes, including changes to the amount of funds requested, in any proposal outlined in applications for consideration.

## ***Consideration of Applications***

Applicants are welcome and encouraged to provide additional information that demonstrates high need for the benefits of the desired loan or grant program.

Once a complete application and SUTA request have been received, USDA staff will conduct a review to determine if the applicant is eligible to receive SUTA consideration. Applicants will be notified if SUTA consideration has been approved or denied. Next, USDA will evaluate requests for specific SUTA authorities to determine if the proposal is financially feasible at the special rates or terms. USDA will then determine which of the SUTA provisions will be granted. USDA may include all,

some, or none of the SUTA authorities originally requested by the applicant.

## ***For More Information***

For more information on SUTA, visit [www.rurdev.usda.gov/suta.html](http://www.rurdev.usda.gov/suta.html). Native American Tribal groups or Tribal members may also contact Rural Development's Native American Coordinator by e-mail at [AIAN@wdc.usda.gov](mailto:AIAN@wdc.usda.gov) or by phone at (720) 544-2911.

Program Aid 2137  
May 2013

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file an employment complaint, you must contact your agency's EEO Counselor (click the hyperlink for list of EEO Counselors) within 45 days of the date of the alleged discriminatory act, event, or in the case of a personnel action. Additional information can be found online at [www.ascr.usda.gov/complaint\\_filing\\_file.html](http://www.ascr.usda.gov/complaint_filing_file.html).

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

Individuals who are deaf, hard of hearing or have speech disabilities and you wish to file either an EEO or program complaint please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

Persons with disabilities who wish to file a program complaint, please see information above on how to contact us by mail directly or by email. If you require alternative means of communication for program information (e.g., Braille, large print, audiotope, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).